

## Natural-gas shortage driving up cost of electricity

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Serving his country proudly

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*U.S. natural-gas prices have been edging higher for years. And prices shot up sharply after hurricanes Rita and Katrina damaged production in the Gulf of Mexico along with onshore processing facilities. Now electric utilities across the country are paying the price.*

**T**he natural-gas crisis in the United States has been developing over the past decade, says Ken Breedon, Executive Vice President of Customer Service & Marketing. And the high cost of natural gas is impacting utilities across the United States.

"Almost all power plants built in the U.S. in recent years use natural gas as fuel," says Breedon. "TVA was buying nat-

ural gas on the market in January of 2002 at about \$2.25 per one million British thermal units. The price edged up, hitting record highs of around \$9 per mmBtu before the hurricanes. The price of gas is likely to be above \$15 per mmBtu this winter. We've already seen prices higher than this, and winter hasn't officially begun."

TVA is not alone — other utilities

have the same problem, he says. The good news is that TVA uses less gas and oil than any of the surrounding utilities. TVA's fuel mix by capacity — meaning the mix of nuclear, hydro, fossil and combustion turbines — is a real asset.

"The high price of natural gas has the most impact on TVA's cost of power

See "Natural-gas shortage" on page 2

## Five TVA Board nominations sent to Senate

**T**he White House has sent five TVA Board nominations to the U.S. Senate for confirmation proceedings.

Current Board members Chairman Bill Baxter and Director Skila Harris said they are pleased that these nominations have been made for positions on the TVA Board.

"TVA has an important and unique mission of service in the Tennessee Valley region, and we look forward to working with new members when they join the Board.

"We are confident that the changes in the Board structure will enable TVA to be more efficient and responsive, doing an even better job in the areas of energy, the environment and economic development.

"As the changes occur, it is important to remember that TVA's fundamental mission to improve the quality of life in the Tennessee Valley region is not changing. TVA helps make the Val-



Dennis Bottorff



Robert Mike Duncan



William Sansom



Howard Thrailkill



Susan Williams

ley a better place to live, work and raise a family. We look forward to working with new Board members to advance that mission for the people of the Valley."

President Bush's nominees for the new board members are as follows:

- Dennis Bottorff of Nashville, Tenn., for a term expiring May 18, 2011. He is chairman of Council Ventures and Coun-

See "Board nominees" on page 2

### what's new employee news

#### New SelfService tool for direct deposits

TVA's Disbursement Services organization launched a new online tool Nov. 17 that will allow employees to maintain their own direct-deposit accounts.

This new SelfService option will enable employees to view their existing direct-deposit profile, make changes to their net-pay account, add and delete savings-allotment accounts, and change the amount of existing savings-allotment accounts.

Employees now will have the flexibility of managing their direct-deposit accounts as needs and financial circumstances change. In addition, new employees will be able to use the option to sign up for direct-deposit online.

More information and answers to specific questions about use of the online direct-deposit option can be found on the Help page within the new direct-deposit site.

## Inside TVA

Senior Manager,  
Internal Communications,  
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Suggestions for articles can  
be sent to the following  
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**NUCLEAR PLANTS:**  
Bellefonte, **Susan Gentle**  
Browns Ferry, **Craig Beasley**  
Sequoyah, **Kay Whittenburg**  
Watts Bar, **Maureen Brown**

**FOSSIL PLANTS:**  
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Bull Run, **Mary Henderson**  
Colbert, **Susan Shedd**  
Cumberland,  
**Barbara Williams**  
Gallatin, **Kriste Lanus**  
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OPERATIONS  
& ENVIRONMENT:**  
Research &  
Technology Applications,  
**Terry Johnson**  
Environmental Policy &  
Planning, **Warren Behlau**

**NASHVILLE: Phil Ivey**

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and affirmative-action employer.  
TVA also ensures that the  
benefits of programs receiving  
TVA financial assistance are  
available to all eligible persons,  
regardless of race, color, sex,  
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# Board nominees

*continued from page 1*

cil Capital Management.

- Robert Mike Duncan of Inez, Ky., for a term expiring May 18, 2011. He is chairman and chief executive officer of Community Holding Company and Community Thrift Holding Company.
- William B. Sansom of Knoxville, Tenn., for a term expiring May 18, 2009. He is chairman and chief executive officer of H.T. Hackney Company.
- Howard A. Thrailkill of Huntsville, Ala., for a term expiring May 18, 2007. Thrailkill retired as president/chief operating officer of Adtran Inc., a network access equipment supplier company in Huntsville.
- Susan Richardson Williams of Knoxville, Tenn., to fill the Board position previously held by Glenn McCullough Jr. She is owner of Susan Williams Public Affairs.

## Natural-gas shortage

*continued from page 1*

when the system's load exceeds 25,000 megawatts," Breeden says. "Last summer, there were multiple days where the load exceeded 30,000 MW. TVA purchased power to meet these peaks and ran its combustion turbines, which use oil or gas as fuel.

He says TVA looked at the price forecasts for natural gas and other fuels last spring and proposed a rate adjustment of 7.52 percent for fiscal year 2006, which would generate additional revenues of \$524 million.

Breeden says forecasts for fuel and purchased power now have increased by more than 12 percent since TVA's fiscal year 2006 budget was approved in July.

"Our recent forecast projections indicate that the 7.52-percent adjustment is not enough to cover the rapidly escalating cost of fuel," he says. "It is early in the fiscal year, but the rate adjustment did not anticipate the extremely high price of natural gas.

"TVA is committed to containing costs and paying for its operations out of cash flow. The goal is to pay down the debt, not borrow more money.

"It is important for everyone at TVA to continue to look for ways to control or reduce costs wherever possible."

— THERESA HABIGER

## Next steps in TVA Board governance process

Congress passed legislation to expand and restructure the TVA Board of Directors on Nov. 20, 2004. Ultimately, the expanded board will include nine members.

The legislation requires that at least seven of the nine board members be residents of the TVA service territory.

Qualifications for board members include "management expertise relative to a large for-profit or nonprofit corporate, government or academic structure."

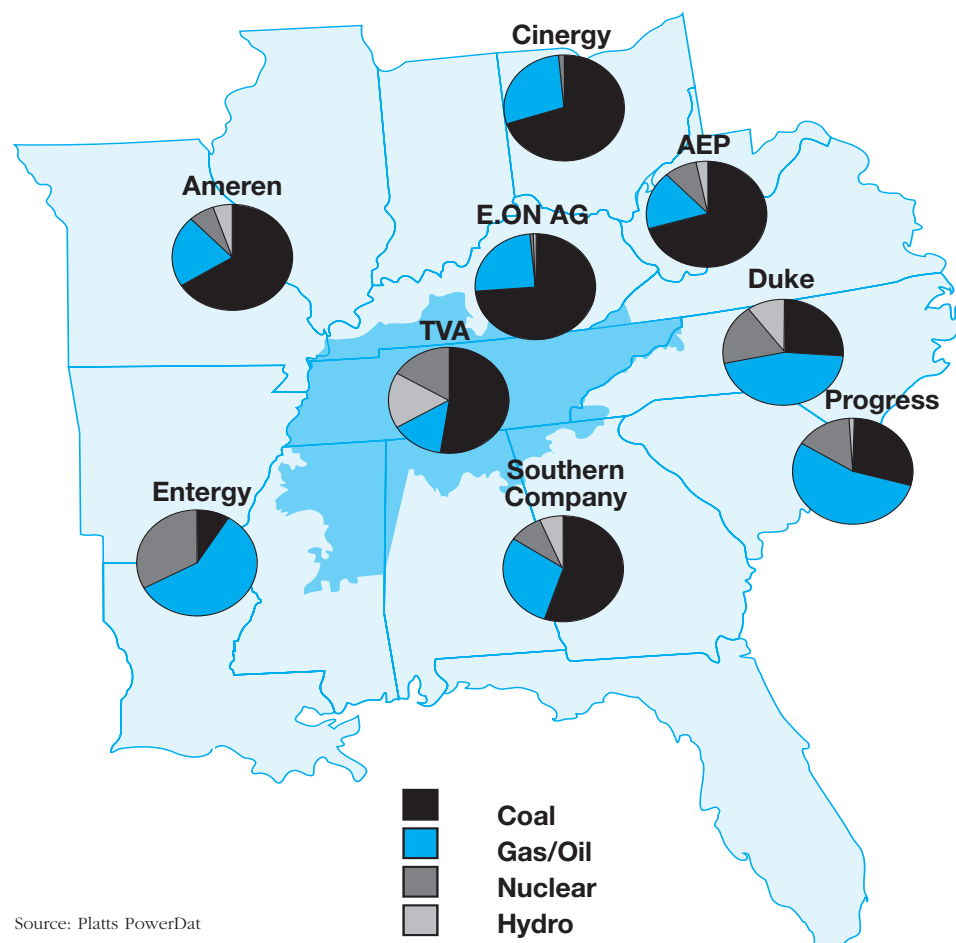
The five nominees to the TVA Board must be confirmed by the Senate. The new board governance law will take effect when at least three new board members take office. Until then, the current board structure will continue.

The new board members will elect a chairman and select a chief executive officer to manage TVA's day-to-day operations.

The CEO will not serve as a member of the board and cannot be a current member of the board or have served as a member of the board within two years before being appointed.

Director Harris' term will expire in 2008, and Chairman Baxter's term will expire in 2011.

## Fuel mix by capacity



## Applications for TVA scholarships now available

**A**pplications for TVA Employee Dependent Scholarships are now available online or by mail to those who call and request an application.

To be eligible, applicants must be a graduating high-school senior and the dependent child of a TVA employee who is not a Vice President or above. Scholarships must be applied to an accredited two- or four-year college, university or technical school in the United States. Children of TVA retirees are not eligible to participate.

Twelve scholarships — worth up to \$5,000 per year for up to five years — are awarded annually.

The selection of scholarship recipients is based on the student's high-school grade-point average, ACT/SAT test scores, participation in school and community activities, honors, work experience and a statement of goals.

### Application deadline Jan. 13, 2006

The scholarship program is managed by TVA's Employee Technical Training & Organizational Effectiveness organization, with assistance in administering the program provided by Scholarship America. Scholarship America is the nation's largest nonprofit, private-sector scholarship and educational-support organization.

### Where to get scholarship applications

More information and applications are available on the scholarship-application site on TVA's internal Web site. Applications also are available by mail.

To request an application, call the TVA Service Center at 1-888-275-8094, 751-8800, 632-8800 or 1-800-848-0298 (TDD/TTY-TN Relay Service).



# Bellefonte picked for nuclear construction and operating license

It's been 30-plus years since the nuclear industry in the United States has seen as much interest as it is seeing today. TVA is among those working to simplify the licensing process for the first new nuclear plants to be brought online this century, as it helps advance the next generation of nuclear-power plant designs.

**W**hile TVA continues to focus its immediate efforts on the restart of Browns Ferry Nuclear Plant Unit 1, in September NuStart Energy Development LLC selected the Bellefonte nuclear site as one of the two best sites in the country for a new advanced-design nuclear plant.

What does this mean for Bellefonte, and what is happening there now?

NuStart Energy is the nation's largest nuclear-power consortium, formed a year ago to obtain a Construction & Operating License, or COL, from the Nuclear Regulatory Commission and to complete the design engineering for two new reactor technologies. NuStart has selected Bellefonte and Entergy's Grand Gulf Nuclear Plant in Mississippi as the two sites for pursuing the COLs.

At Bellefonte, NuStart will seek a license for the new Advanced Passive 1000 reactor design by Westinghouse.

"TVA has not yet made a decision on whether to construct a new plant at Bellefonte, but we project a need for new baseload generation around 2015," says Jack Bailey, vice president of Nuclear Generation Development & Business Support and TVA's representative on the NuStart Energy management team.

"Leveraging NuStart's work will defer most cost to TVA for several years

and help provide us the information we need to make a decision."

The process of preparing the COL will take about two years and cost an estimated \$48 million, Bailey says.

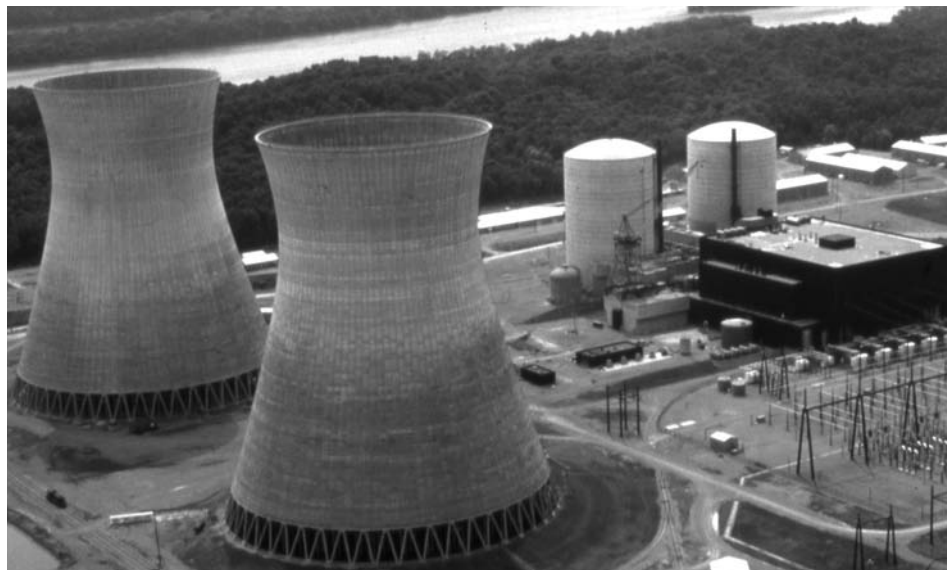
"A major uncertainty for any utility is whether a license can be obtained under the new NRC-combined COL process at a predictable cost and schedule," he says. "Even though this streamlined process was established in 1992 to eliminate prior delays and cost overruns, it has never been used."

As part of the government's efforts to encourage nuclear investment, the Department of Energy will pay 50 percent of the cost to develop the COL and to complete the plant engineering.

NuStart is in the process of hiring a contractor to do the actual COL preparation work, and TVA will provide the day-to-day contact with the contractor.

The COL application will include detailed technical information, including a National Environmental Policy Act review, an emergency plan, a proposed equipment testing program and a process for the operations at the site.

Bailey says other utilities, such as Duke Power that recently announced it, too, will be seeking a COL for a two-unit AP 1000 nuclear plant, will benefit from some of the NuStart work at the



Bellefonte site.

"After the NRC has approved NuStart's COL for Bellefonte, TVA or a group of utilities could buy the NuStart license to build a reactor on the site," Bailey says.

"TVA has long said that it prefers to have a partner or partners in any new generation projects, so we also are continuing to talk with others who have expressed an interest in partnering with us at Bellefonte."

## What is NuStart?

NuStart Energy Development LLC consists of 11 companies: Constellation Generation Group, Duke Energy, EDF International North America, Entergy Nuclear, Exelon Generation, Florida Power & Light Co., Progress Energy, Southern Co., TVA, and nuclear-reactor vendors Westinghouse Electric and GE Energy's nuclear operations.

## TVARS outperforms other retirement plans

**M**aintaining one of the very best-performing retirement plans in the country is what TVA retirees and employees deserve. That's the goal of the TVA Retirement System.

And according to TVARS investment consultant Wilshire Associates, TVARS is doing just that.

"This past year's 14.75-percent return will exceed the performance of 67 percent of other pension plans of similar size and structure," says Randy Snyder, Executive Secretary of the TVA Retirement System. "Long-term earnings for the system using our current investment structure are expected to be between 7 and 8 percent."

He says it was an outstanding year.

"TVARS assets were valued at slightly more than \$7 billion as of Sept. 30 — a gain of more than \$900 million for the year and a gain of around \$2.8 billion in the past three fiscal years. Being able to string three good years together is the best news of all. Investment returns for 2004 were 13.5 percent and for 2003 were 23.3 percent."

TVARS currently has about 21,000 retirees receiving a monthly pension benefit. It has an annual pension payroll of more than \$427 million. Since TVARS stays fully invest-

ed at all times, they sell about \$35 million in stock and bond holdings each month to make benefit payments.

"The Retirement System's policy is to stay well diversified," says Snyder. "We put some new investment strategies in place in 2005 and are quite pleased with the results. Our portfolio is currently allocated 40 percent to fixed income, 45 percent to U.S. stocks and 15 percent to non-U.S. stocks. Some of our best-performing investments in 2005 were emerging-market stocks, which were up 47 percent."

Emerging-market bonds, small-cap stocks and non-U.S. stocks also were up (14 percent, 18 percent and 28 percent, respectively).

TVA Chief Financial Officer Mike Rescoe attributes much of this year's strong performance to the quality of service Snyder and his team bring to the table.

"The TVA Retirement System is clearly benefiting by their expertise and professionalism," Rescoe says.

Snyder says his organization will continue to look for new opportunities to build the system's assets and further enhance its ability to meet its obligations.

— PAM RAMSEY

## Customer Service & Marketing promotions

Bruce Schofield, formerly general manager of Industrial Marketing, has been named vice president of Industrial Marketing & Account Management. Ron Owens, formerly general manager of Customer Relations & Services, has been selected as vice president of Customer Service.



Bruce Schofield

"These two promotions were made to integrate all activities focused on serving industrial customers and to better coordinate overall customer service activities," says Ken Breeden, executive vice president of Customer Service & Marketing.



Ron Owens

In his new position as Industrial Marketing VP, Schofield will continue to lead all efforts directed toward meeting the needs of TVA directly served industrial customers. His new responsibilities will include support to Customer Service staff and distributors to ensure that all industrial customers in the Tennessee Valley receive the same level of service.

Owens will lead the regional Customer Service organizations that are TVA's frontline representatives serving the 158 municipal and cooperative power systems purchasing wholesale power from TVA. The Customer Service Support organization will continue to report to Owens.

2005

A Winning Performance  
SUCCESS

Employees set their sights on a “higher bar” in fiscal year 2005, and their efforts have paid off with another year of exemplary accomplishments — and TVA’s best performance ever.

“Because of everyone’s efforts, TVA is becoming the company we all want it to be,” says Tom Kilgore, president & chief operating officer. “I commend everyone for helping make 2005 a successful year for operations and for reaching some new and challenging milestones.”

Winning Performance awards are earned only when employees meet goals that put TVA above average.

“We pay for performance because putting money on the line is a proven method of getting better performance,” he says. “We set demanding targets, and everyone worked hard to earn the dollars that are at risk.”

TVA exceeded the Winning Performance Balanced Scorecard targets in every area except Safety. Employees’ efforts in the three financial measures, two customer measures and two operations measures contributed to the outstanding year.

“From an all-injury-rate standpoint, it was the best year on record for us,” Kilgore says. “But this year of otherwise strong safety performance was a sad one for all of us because one of our team members didn’t go home at the end of the day.

“None of us should forget the accident that took the life of James McKnight. I want to encourage all employees to remain focused on safety in everything they do.”

Winning Performance								
2005 TVA Balanced Scorecard								
	Weight	Status	Actual YTD	Plan YTD	Year-End Forecast	GOALS		
Financial						Target	Mid	Stretch
• O&M Costs (\$ millions)	15%	⬆	3,493	3,584	3,493	3,584	3,548	3,477
• Financial Strength (\$ millions)	15%	⬆	301	225	301	225	300	440
• Productivity (kWh/\$)	10%	⬆	160.9	153.7	160.9	153.7	156.9	158.5
Customer								
• Customer Impact (%)	10%	⬆	107.0	100.0	107.0	100.0	103.0	107.0
• Economic Development (index)	10%	⬆	123	100	123	100	110	120
Operations								
• Asset Availability (%)	20%	⬆	102	98	102	98	100	102
• Environmental Impact (index)	10%	⬆	55	78	55	78	73	68
People								
• Safe Workplace* (all injuries/hour worked)	10%	⬇	1.82	2.12	1.82	2.12	2.12	2.06
*Payout at any performance level is contingent upon no fatalities.			Status:					
			⬆ = Forecast at or better than Target					
			⬇ = Forecast worse than Target, but recovery is possible					
			⬇ = Forecast worse than Target, and recovery is unlikely					

2006

An opportunity for  
GREATNESS

The Winning Performance Balanced Scorecard measures for 2006 will again challenge employees to achieve at an even higher level of performance, says President/COO Tom Kilgore.

“We can only continuously improve if we set high goals and standards for ourselves and for those around us,” he says. “Top management will provide the tone by setting the example of living the TVA Values.”

Winning Performance payout is not a “bonus” or “profit-sharing,” he says. It’s pay for performance for employees helping to achieve demanding targets.

“External forces — such as the rising fuel costs, higher costs for off-system purchases and rail-transportation issues — will create ‘hard-spots’ in financial performance,” Kilgore says.

“Financial Strength will include reducing our total financing obligations. That means we must pay down our obligations by \$340 million.

“This will be a tight year, with huge challenges. With everyone’s help, we can achieve these new goals, but we will have to work even smarter to meet the new challenges.”

Details of the FY '05 and FY '06 scorecards are on the Winning Performance site on TVA’s internal Web site.

Winning Performance						
2006 TVA Balanced Scorecard						
	Weight	Status	GOALS			
Financial			Target	Mid	Stretch	
• Net Cash Flow (\$ millions)	20%		394	456	548	
• Financial Strength/Reduction in Total Financing Obligations* (\$ millions)	15%		340	420	500	
• Productivity (kWhs Delivered/Total Labor Cost)	10%		93.0	94.8	96.7	
Customer						
• Customer Impact (CPI+CSS)***	10%		100.0	101.7	108.1	
• Economic Development (Jobs+Investments+Job Impact)	10%		100	110	120	
Operations						
• Asset Availability (GWh Available/GWh Planned)	15%		100	101	102	
• Environmental Impact (Performance/Baseline)**	10%		67	61	56	
People						
• Safe Workplace**** (Recordable Injuries/Hours worked)	10%		1.82	1.64	1.55	
*To maintain continuity, the original performance measure name of Financial Strength is referenced with the new name, Reduction in Total Financing Obligations (TFO).			Status:			
**Actuals reported quarterly.			⬆ = Forecast at or better than Target			
***CPI = Connection Point Interruptions and CSS = Customer Satisfaction Survey.			⬇ = Forecast worse than Target, but recovery is possible			
Actuals reported quarterly.			⬇ = Forecast worse than Target, and recovery is unlikely			
****Includes TVA and staff-augmented employees; hearing events are excluded. Any TVA employee or staff-augmentation contractor fatality or permanent total disability will prevent payout for this indicator at the TVA level, as well as the affected SBU/BU.						



# Changes to the FY 2006 TVA Balanced Scorecard

As with the FY '05 TVA Balanced Scorecard, the FY '06 scorecard will include eight measures. However, the total Operations & Maintenance Costs measure has been replaced with Net Cash Flow and will be weighted at 20 percent, rather than 15 percent for the '05 O&M measure. The Asset Availability measure will be weighted at 15 percent, instead of the 20 percent for '05. The following are changes to the '06 scorecard. Additional information is on the Winning performance site on TVA's internal Web site.

	FY '05	FY '06	CALCULATIONS	COMMENTS
FINANCIAL	Total O&M	Net Cash Flow (20%)	Total cash flows from operating activities (excluding energy prepayments and changes in short-term investments) minus investing activities.	New for FY '06. Target equals approved Business Plan. Mid reflects 2% reduction in O&M and capital expenditures. Stretch reflects 5% reduction.
	Financial Strength	Reduction in Total Financing Obligations (15%)	Change in TVA's total financing obligations including statutory debt, CT lease obligations, prepaid energy obligations and QTE lease obligations. Note: Any new capital lease obligations will be included.	Name change for FY '06. Targets set to support Strategic Plan goal of reducing total financing obligations by \$3 billion to \$5 billion over 10-12 years. Target equals approved Business Plan.
CUSTOMER	Productivity	Productivity (10%)	$\frac{\text{Delivered Generation (kWhs)}}{\text{Total Labor Costs (TVA and Contract) \$}}$	Changed for FY '06. Delivered Generation used instead of Planned Availability. All labor costs are included, not just O&M. These changes from FY '05 preclude comparisons to prior year Productivity values. Target is based on Planned Generation divided by Budgeted TVA and Estimated Contractor Labor Cost. Mid is based on a 2% improvement. Stretch is based on a 4% improvement.
	Customer Impact	Customer Impact (10%)	50% Connection Point Interruptions (target/actual) + 50% Customer Satisfaction Survey (actual/target)	Changed for FY '06. Connection Point Interruptions is retained for FY '06, but Competitive Retail Price Index (used in FY '05) has been replaced with Customer Satisfaction Survey. Performance goals are based on a 50/50 weighting of the target-, mid- and stretch-level performance goals assigned to the indicator components, CPI and CSS. The CPI target is based on the three-year average and on maintaining current level of performance. The CSS target is based on distributor responses for which we have baseline data (distributors' satisfaction with TVA as their wholesale supplier, with the performance of local TVA customer service staff and with TVA's power quality and reliability of transmission service).
	Economic Development	Economic Development (10%)	50% Jobs Added/Retained + 25% Capital Leveraged (actual/targeted) + 25% Jobs Impact (wage and/or unemployment)	No change for FY '06.
OPERATIONS	Asset Availability	Asset Availability (15%)	GWh Available/GWh Planned	No change for FY '06.
	Environmental Impact	Environmental Impact (10%)	FY '06 performance of 23 environmental elements compared to FY '02 Baseline)	Changed for FY '06. Basic methodology unchanged. Target based on SBU targets for the 23 elements. Mid is set 9% lower to match the performance gains achieved since FY '02. Stretch is set an additional 9% lower than mid.
PEOPLE	Safe Workplace	Safe Workplace (10%)	Recordable Injuries x 200,000 Hours Worked	Changed for FY '06. Includes TVA and staff-augmented employees (new). Will adopt OSHA criteria for restricted duty and prescribed medication (new). Hearing events are excluded. Any TVA employee or staff-augmentation contractor fatality or permanent total disability will prevent payout for this indicator at the TVA level as well as the affected SBU/BU. Target based on reduction from industry mean for utilities. Mid represents 10% improvement from Target and is better than industry best quartile. Stretch represents 15% improvement from Target.

## Cultural Health Index actions under way

Chances are, at this very moment, a group of TVA employees are somewhere studying their Cultural Health Index data, crafting an action plan to address their CHI results. TVA's senior management recently delivered its action-planning status report for the four TVA-level target areas: Strategic Direction and Leadership, Communication, Compensation and Recognition.

### Strategic Direction and Leadership

This area was identified from employees' low scores to questions about management direction, trust, leadership and whether they'd seen changes from the last CHI.

"When Tom Kilgore said that senior management would review the CHI data and every comment, we didn't know we'd get 11,000," says Mike Purcell, senior manager of Employee Technical Training & Organizational Effectiveness. "However, that didn't change his promise. His team reviewed every comment and each SBU has an action plan in place, with checkpoints along the way."

Another action item under this area: refocusing STAR 7.

"With two pilots under our belt, we expect to have managers on board beginning second quarter '06, preparing them to cascade the messages to employees soon after," Purcell says. "We will begin the STAR 7 refocus with the Business Council on Jan. 10."

Strategic Talent Management Process is a huge commitment under this focus area.

"We've set a new standard to develop current leaders and build bench strength. This is an ongoing effort."

### Communication

Improvement opportunities in communications are about leaders' willingness to provide clear direction that employees can trust.

"Completing the rollout of initial CHI results was one action, and responses to this change were very favorable," says Purcell. "We plan to do more of that model in the future."

### Compensation

Compensation was a recurring theme in the CHI comments.

"We performed extensive compensation reviews, which resulted in base-compensation increases for FY '06," he says. "And we will continue to review for other changes."

### Recognition

"Tom Kilgore heard early on from employees that TVA could do a better job at recognition," says Purcell. "TVA is restoring its emphasis on employee recognition. The first Salute to Excellence Awards program Dec. 8 recognized the outstanding achievements of many employees."

### Next steps

The Management Committee will hold its next review of SBU's CHI action planning progress soon. Meanwhile, plans are under way for the CHI quarterly polling process that will begin in January '06.

— CAROLYN BRADLEY MINTER

## ACROSS TVA

**Allen Fossil Plant** — The Fossil Fueled Porkers from Allen Fossil Plant took second place in shoulders and fourth place in ribs at the Millington Smoking on the Lake BBQ contest recently. In addition, the group fed about 40 displaced Hurricane Katrina Evacuees during the event. They cooked for about 250 Habitat for Humanity volunteers who helped in the local Habitat for Humanity event in October. Gene Slater is captain of the Fossil Fueled Porkers. Other team members are Stuart Farmer, Tonio McCalister, Willie Burton, Kim Dawson, Dennis Anderson, Ronnie Gordon, Bill Hallum, Ray Carter, Derrell Green, Roseanne Sietens, James Thomas and Kevin Wren. Ted "Doc" Battles, Tommy Wilson, Frank Dominioni and Gary Harris helped at the Habitat cookout.



Gary Harris, general manager of Customer Service, West Tennessee, assists the Fossil Fueled Porkers team at the Habitat for Humanity cook out.

**Gallatin Fossil Plant** — About 60 employees attended Gallatin's Veteran's Day observance Nov. 10. Thomas "T" Sparkman, brother of Gallatin's Veterans Association member Stan Sparkman, was the speaker. T was an Army SFC infantryman, retiring after 23 years of service. Gallatin Veterans Association President Ray Bailey recognized the plant's veterans. Those attending signed a card to send with a care package to SFC Bobby Floyd, a Gallatin trainee, who is deployed to Iraq.

**Paradise Fossil Plant** — The Paradise Chapter of the TVA Veterans Association organized a Veterans Day recognition ceremony at the plant. The Muhlenberg South High School Army Junior Reserve Officers' Training Corps Color Guard participated, including in the flag-raising. Site Manager Steve Downs offered remarks and requested a moment of silence in memory of veterans.



Ray Bailey, (left) head of Gallatin Fossil Plant's Veterans' Association, and Bill Burleigh, executive director of Operation Stand Down, are pictured in the warehouse-turned-clothes-shopping area for homeless veterans in the Nashville area. Gallatin's Veterans' Association held a clothing drive to benefit homeless veterans who attended the 13th Annual Operation Stand Down event in Nashville. This event brings the community together to provide outreach, information and a wide variety of social services to homeless area veterans.

**River System Operations & Environment** — TVA received the Technical Excellence Award at the recent North American



John Sevier Fossil Plant — Arvil Ward (kneeling), yard mechanical technician III and Technical Services Analyst Stephanie Sorrell (standing) demonstrate water sampling to 5th-grade students and their teacher during World Water Monitoring Day Oct. 18. John Sevier and River System Operations & Environment's Alisha Mulkey hosted the event for the students, some of their parents and teachers from Keplar Elementary School.

Lake Management Society meeting. The award was for TVA's Spring Sportfish Survey recognizing "Outstanding Research In Lake Restoration, Protection and Management." Last spring, TVA worked with more than 150 stakeholders on the spring sportfish surveys. In addition to providing positive public-outreach opportunities for TVA stakeholders, the data collected from this activity was an integral part of the analysis used to determine if changes in water regime in selected TVA reservoirs resulting from the Reservoir Operations Study would affect recruitment of juvenile fish of selected species. Members of the Aquatic Monitoring & Management team, including Donny Lowery, Kurt Lakin, Pete Mangum and Ginger Seeber, worked as a team to support quality data collection and public outreach.

**TVA Watershed teams** — During fiscal year 2005, Watershed Teams partnered with various groups to support 31 cleanup events across the Tennessee Valley. More than 8,100 volunteers collected some 302 tons of trash and debris from area reservoirs, streams, parks, roadways and greenbelts. Also, the teams participated in 41 events where more than 6,800 students could learn about environmental activities, how a watershed works, as well as activities that can be done to help improve, protect and preserve the environment.

# TVA Combined Federal Campaign ends successful drive

The **2005 Greater Chattanooga Area Combined Federal Campaign** has collected pledges totaling \$1,359,904, exceeding its goal of \$1.2 million. The donations were from more than 80 Chattanooga-area federal organizations, with TVA employees contributing \$1.23 million of its \$1 million goal.

The 9th Annual Alley Oop Golf Tournament raised \$42,389 to benefit the 2005 Chattanooga Area Combined Federal Campaign. That was the highest amount ever raised for the CFC by the Alley Oop tournament. The annual fund-raiser is sponsored by **TVA's Power System Operations** (formerly Transmission/Power Supply) and TVA friends and suppliers, as well as by **TVA Procurement** employees.

**Fossil Power Group's Heavy Equipment Division** recently presented a check for \$40,878.89 to the Combined Federal Campaign for Nashville and Middle Tennessee. The money was raised for the CFC by HED's 4th Annual Golf Classic, held at Pine Creek Golf Course in Mt. Juliet, Tenn. More than 200 golfers and 135 sponsor representatives participated, as well as more than 40 volunteers from HED, Middle Tennessee TVA employees, family members and external suppliers.

The 2005 Combined Federal Campaign at **Johnsonville Fossil Plant** concluded Oct. 31 with \$64,156 in pledges and donations — 28 percent over the \$50,000 goal. The campaign, which had the theme Every One of Us Helping Our Own, began with a CFC Agency Fair and Kickoff Cookout, which raised \$2,708 for the Katrina Disaster Relief Fund. The campaign also had three fundraisers, which together generated \$3,314 for local CFC agencies. About 60 percent of Johnsonville employees participated in this year's CFC effort. Johnsonville retirees donated \$700.

A golf tournament hosted by **John Sevier Fossil Plant** raised about \$2,700 to benefit the Smoky Mountain Region Combined Federal Campaign. Eighteen teams, totaling 72 golfers, participated. Richard Broyles, Norma Cato, Kristy Gladson, Cindy Light, Michael Light, Chris Morelock, Sonia Trent and Mike Wagner were among the employees who volunteered to stage the tournament.

**Kingston Fossil Plant** employees and G•UB•MK employees contributed \$29,689 in pledges and donations, which was 1 percent over the campaign's \$29,285 goal. Employees and contractors participated in a variety of fund-raising events, including a soup luncheon, chili cook-off, bake sale, "gender-bender" fashion show, hot-dog luncheon and silent auction. These events raised a total of \$5,679.

TVA employees, retirees and partners, along with employees of other area federal agencies, contributed \$202,580 to the 2005 **Muscle Shoals Area** Combined Federal Campaign. The amount represents nearly 107 percent of the campaign goal of \$190,000. Employees pledged \$134,398 and retirees pledged \$19,838. TVA partners \$8,465 and employees of other federal agencies gave \$19,814. A total of 46 Leadership Givers — including employees, retirees and partners, as well as employees of other federal agencies — contributed \$1,000 or more.

The **Smoky Mountain Region** CFC reached well beyond its stretch goal of \$500,000. The TVA portion of the CFC reached \$641,575 — 128 percent of its goal. In addition, the overall Smoky Mountain Region CFC, which includes about 50 federal agencies in addition to TVA, raised more than \$800,000, exceeding the campaign's goal of \$750,000 by more than 6 percent.



# Disease management helps improve health

*Over the past decade, disease management has become an increasingly popular approach to caring for patients with chronic health conditions.*

One of Benjamin Franklin's sayings, "An ounce of prevention is worth a pound of cure," remains a wise course of action to take, says Dr. Lee Jordan, medical director and cardiologist with the East Tennessee Heart Consultants Heart Failure Clinic.

"Prevention is always the best course of action," says Jordan. "It's just common sense. Blocked arteries weaken the heart muscle. Lack of exercise, high blood pressure and high cholesterol lead to blocked arteries."

Because prevention isn't always possible, Jordan says disease management is the wave of the future.

"There is more and more research that indicates traditional healthcare models are not as effective as disease-management programs when it comes to treating people with chronic diseases. These programs also aim to reduce the costs associated with treatment by helping patients avoid complications that require hospitalizations and emergency-room visits."

## What is disease management?

Disease management is a comprehensive approach to treating long-term diseases that require extensive self-care efforts by the patient.

"Our Heart Failure Clinic is an example of a disease-management program," Jordan says. "We have a defined program for treating heart failure. Heart failure, as do many other chronic diseases, requires continual monitoring. A disease-

management program assists the patient in monitoring all aspects of the recommended treatment, which can include diet, exercise, medication and weight control."

The clinic's professional staff includes a registered dietitian, licensed clinical social worker, clinical pharmacist, registered nurse and nurse practitioner.

"Our staff is able to provide a comprehensive approach to helping our patients manage their disease," he says. "Patients who understand the importance of diet and nutrition, and who are taking the appropriate drugs, greatly improve their well-being and reduce the instances of hospitalization."

Jordan says heart failure is the most common cause of hospitalizations in patients over the age of 65 and is most prominent in people over 70 years of age. Ten percent of this group is diagnosed with congestive heart failure.

"Heart failure, or a damaged heart muscle, is caused by high blood pressure, prior heart attack, diabetes, alcohol abuse or, in rare situations, infections of the heart.

"The heart muscle, once damaged, remains always damaged. Disease-management programs help patients prevent further damage by educating them on the importance of diet, particularly low-sodium diets, and the role cholesterol-lowering drugs, as well as beta blockers and ace inhibitors, play in managing the disease."

— THERESA HABIGER



Dr. Lee Jordan and Jennie Rhymes, APN, of the East Tennessee Heart Consultants Heart Failure Clinic, review a patient's records online.

## TVA Healthcare Assistance Program

TVA offers disease management through its Healthcare Assistance program.

Employees have access to all features of the program, including the 24-hour nurse line (1-877-598-3972), the Web site for general health information ([www.myaccesshealth.com](http://www.myaccesshealth.com)) and care-management services.

# Family and freedom missed most

The freedom to just get into his car when he felt like it and go wherever he wanted.

Other than his wife, Leigh, and three-year-old daughter, Lily Grace, that was what Chattanooga Power System Operations employee and Maj. Steve Mitchell missed most while serving with the Third U.S. Army in Afghanistan and Kuwait during much of this year.

Nevertheless, Mitchell is grateful for the opportunity to serve his country and is proud of his service. This marks the third time he has been called to active duty during his 15 years with TVA.

"I am particularly thankful to TVA for its support during this time, and especially appreciative of the co-workers who have filled in for me while I've been away," he says. "On one level, I didn't want to go — to leave my family, my job and the security and freedom we enjoy here. But on another level, I was excited about the challenges and experiences ahead."

Mitchell was the keynote speaker at the TVA Veterans Association annual

Veterans Day luncheon, held Nov. 8 at the Chattanooga Convention Center. He spoke of his Afghanistan and Kuwait experiences, as well as his 22 years in the military. The son of a Korean War veteran and grandson of a World War II veteran, Mitchell also thanked the veterans attending the luncheon for their service.

He continues in an active-duty role with the Army in Atlanta, where he returned Aug. 17 — just in time for Lily Grace's third birthday Aug. 22, something he worried he might miss.

Mitchell expects to return to his TVA role as manager of Substation Applied Ser-



TVA's Steve Mitchell greets children in Afghanistan.

vices next summer.

Currently, about 2,600 TVA employees are military veterans. Also, 15 employees are currently serving in a military-reserve or National Guard role in Iraq, Afghanistan, Kuwait and other countries.

— DAN ADAIR



Maj. Steve Mitchell



## INSIDER

# Firefighting second nature to many at TVA

*TVA officials know the best response to a plant fire comes immediately and from people specially trained for the job.*

**N**o matter what the normal daily occupation for many TVA employees may be, if the fire alarm sounds, they wear another hat altogether.

While TVA's nuclear plants are home to full-time fire brigades, at those and other facilities, many of the first responders are employees with other primary duties.

"We teach our firefighters how to handle energized equipment on fire, as well as how to deal with structure fires," says Joe Summers of TVA's Safety & Emergency Response Training Academy. "Training our own people to do the job is the best way to protect life and property — our own and those of the residents of neighboring communities."

SERTA uses highly realistic simulations to instruct workers in advanced emergency-response techniques. Full-time employees Dykie Gentry, Robert Traub and Greg Van Horn are some of the most experienced emergency-response professionals in the country, Summers says.

The nationally accredited academy is on an 85-acre site 25 miles west of Chattanooga, near Nickajack Hydro Plant and Dam. It specializes in industrial-site fire response, confined-space and technical rescue, hazardous-materials emergency response and emergency medical response.

"We were established in 1980 to train TVA em-

ployees, but we have since begun serving customers from around the world, including manufacturers, power-generating companies, airports and fire depart-

ments," Summers says. "In the past fiscal year, SERTA taught some 3,100 TVA employees in 240 classes."

— AMY TATE



From left, Joe Summers (kneeling) instructs students Harry Barnett Jr., Travis Grizzle, Debbra Gray, Michael Soderburg, Chris Kittrell and Jeff Montgomery in hose-handling techniques before a transformer-attack exercise during a Fire Brigade Member Practical Review class.

## people, plaudits and promotions

TVA Police Lt. **Suzanne Attebury** helped raise \$250,000 for the Police Unity Tour. The Police Unity Tour is a bicycle ride that raises money and awareness for the National Law Enforcement Officers' Memorial in Washington D.C., and to help with education and the building of a law-enforcement officers' museum. Attebury, along with 240 other local, state and federal law-enforcement officers from Tennessee, Virginia, Florida and Minnesota, as well as England, rode bicycles 260 miles from Virginia Beach to Washington D.C. where they met with chapters from New York and New Jersey. The groups attended the Annual Candlelight Vigil at the Law Enforcement Officer's Memorial and escorted family members of fallen officers to the service. Officers killed in the line of duty are honored by their names being engraved on a marble wall at the memorial. More than 50,000 law-enforcement officers attended the vigil and memorial service.



Suzanne Attebury



Mike Collins



Vivian Schorle



Terri Bucher

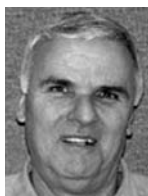


Marti Owensby

IS Project Management Office's **Mike Collins, Vivian Schorle, Terri Bucher, Marti**

Owensby, **Craig Shermer, Fred Walsh and Chuck McFall**

have obtained the Project Management Institute's Project Management Professional certification. Candidates must satisfy all educational and experience requirements and demonstrate understanding and knowledge of project management. Additionally, candidates must pass a four-hour certification examination and demonstrate ongoing professional commitment to the field of project management by satisfying PMI's continuing certification requirements.



Craig Shermer



Fred Walsh



Chuck McFall

IT Security's **Jim Gann, Stacie Martin and Scott Martin**

recently passed the Certified Information Systems Auditor exam. The exam measures excellence in the area of IT auditing, control and security, as well as tests the knowledge of IT audit principles, practices and technical content areas. The certifications will assist IT Security in meeting federal requirements as required assessments and reviews continue.



Jim Gann



Stacie Martin



Scott Martin

**Barry Savage**, civil design technician in Surveying Services, Electric System Projects, has been selected "Star Surveyor" by Point of Beginning, a national publication serving the geomatics profession. Savage, whose surveyor career spans 24 years, is licensed in three states. In addition to his work at TVA, he serves as a private boundary consultant and adjunct faculty member at Cleveland State Community College in Cleveland, Tenn., where he established the associate science degree program in Surveying/Global Positioning System/Geographic Information System.



Barry Savage

**Jimmy R. Sutton II**, also known as "Blue," was named first runner-up of the Paul Wedge Memorial Award sponsored by the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, AFL-CIO. The Wedge award represents the Southeastern division in the Boilermakers National Apprenticeship Program. The program selects outstanding apprentices in each of six regions to compete in the regional competition. Sutton, a fossil mechanical technical trainee II at Kingston Fossil Plant and member of Boilermakers local 453 in Knoxville, earned a spot in the national competition in Kansas City. He was first runner-up in that competition, which consisted of boiler-tube preparation and welding, burning, rigging, print reading and classroom work.



Jimmy Sutton